C/Sale Tax/53

1953.

File No. 38/53

P 2E/

Legal Department
– G **BRANCH**

Subject:— Opinions on the Sale Tax matters.

O/Sale Tax/53

File No. 38/53

C O N T E N T S

Legal Department File No O. Sales Tax/53(G-38)

Sr. No. L.I/ G. No.		Subject	Pages
		Opinions on the sales Tax Matters.	
1-	G-34/14-1-53	Question regarding payment of sales tax by Govt. to M/s. Bhiwandiwala in respect of contract of sale of sugar entered into with him.	1-6

Mjr/16/8/
5 Cs.

The damages which a buyer may recover in an action under section 57 of the Indian Sale of Goods Act are in general the difference between the contract price and the market value of the goods at the time when the contract is broken (see Keshav Vs. Diwanchand 47 Bombay 563). Under section 48 of the Bombay Sales Tax (No 2) Ordinance, 1952, any sale made during the period commencing from the first day of November 1952 and end on the date immediately prior to the date on which this Ordinance is promulgated i.e. 24th December 1952 in respect of which no amount is agreed to be paid by way of a tax on sale would be excluded from the taxable turnover. It is, therefore, clear that, according to the agreement Government made with Messrs A. H. Bhivandiwalla and Company, Sales tax not being chargeable, the sale of sugar in respect of which agreement was made could not have been subject to the sales If Messrs. A.H. Bhivandiwalla and Company are now required to purchase the goods in the market as a result of Government's failure to fulfil the contract, he would certainly be liable to pay the sales tax, which sales tax he would be entitled to claim as part of the market value of the goods. Consequently Government will have to pay the sales tax in addition to the difference between the contract price and the market rate of the goods on the 5th January 1953.

Sd/F.M.LAD.
14/1

Remembrancer of Legal Affairs.

U.O. to F.S. & Addl. Secy. No. 8-34, dated the 14th January 1953.

VGP. 14-8-56.